APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/911,016	07/20/2001	James E. Hanson	YOR920010393US1	3501

35526 7590 11/14/2007 DUKE W. YEE YEE & ASSOCIATES, P.C. P.O. BOX 802333 DALLAS, TX 75380	**EXAMINER** KARMIS, STEFANOS

ART UNIT	PAPER NUMBER
3693	

MAIL DATE	DELIVERY MODE
11/14/2007	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE <u>3</u> MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on <u>31 August 2007</u>.

2a)☒ This action is **FINAL**. 2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) <u>1-4,6-14,16-24 and 26-30</u> is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) <u>1-4,6-14,16-24 and 26-30</u> is/are rejected.

7)☒ Claim(s) <u>2</u> is/are objected to. .

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1)☒ Notice of References Cited (PTO-892)

2)☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

3)☐ Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date _____.

4)☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ .

5)☐ Notice of Informal Patent Application

6)☐ Other: _____.

DETAILED ACTION

1.   The following communication is in response to Applicant's amendment filed 31 August

2007.

Status of Claims

2.   Claims 1-4, 6-14, 16-24 and 26-30 are currently amended. Claims 5, 15 and 25 are

cancelled. Claims 31-37 are previously withdrawn. Therefore claims 1-4, 6-14, 16-24 and 26-30

are currently pending.

Claim Objections

3.   Claim 2 is objected to because of the following informalities: Claim 2 has a grammatical

error in "wherein host the". Claim 2 should read "wherein the host." Appropriate correction is

required.

Claim Rejections - 35 USC § 112

4.   The following is a quotation of the second paragraph of 35 U.S.C. 112:

> The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the
> subject matter which the applicant regards as his invention.

5.   Claims 1-4, 6-14, 16-24 and 26-30 are rejected under 35 U.S.C. 112, second paragraph,

as being indefinite for failing to particularly point out and distinctly claim the subject matter

which applicant regards as the invention.

Regarding claim 1 the phrases "first software facility" and "second software facility" renders the claims indefinite because it is not clear what the software facilities are. The specification fails to provide any teachings of either a first software facility or second software facility that include first and second level services for each facility. Instead, the specification teaches a host that contains first and second level services for multiple business clients (paragraph 0011). The specification does not distinguish two separate software facilities for the first and second business clients. Instead, business clients rely on the same first and second services on the host. Therefore, for interpretation purposes, claim 1 is interpreted to require that a host provide first level services and second level services for at least two business clients wherein the first level and second level services can be shared by the two business clients and that first and second software facilities requires only that the host accept/maintain information about a first and second business client within the host. Claims 2-4, 6-14, 16-24 and 26-30 stand rejected for similar reasons.

Claim Rejections - 35 USC § 102

6.   The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

7.   Claims 1-4, 6, 8, 9, 11-14, 16, 18, 19, 21-24, 26, 28 and 29 rejected under 35

U.S.C. 102(e) as being Lucas by U.S. Patent 6,996,538.

Regarding claims 1, 11 and 21, Lucas discloses a method and system in a host data

processing system for providing electronic business functions for a plurality of business clients,

the method comprising:

providing, within the host, a first software facility for a first one of the plurality of

business clients, the first software facility including first software facility first and second level

services (column 4, line 58-65 and column 5, lines 15-42; Examiner notes that this teaches first

level services, including at least storage and second level services, including at least specific

rules and inventory management);

providing, within the host, a second software facility for a second one of the plurality of

business clients, the second software facility including second facility first and second level

services (column 4, line 58-65 and column 5, lines 15-42; Examiner notes that this teaches first

level services, including at least storage and second level services, including at least specific

rules and inventory management);

said host providing, web hosting for said first and second ones of the plurality of business

clients using said first software facility first and second level services and said second software

facility first and second level services (column 4, line 66 thru column 5, line 8 and column 6,

lines 55 thru column 7, line 5; Examiner notes that the web server provides web hosting);

automatically determining, by the first software facility, that a transaction needs to be

executed between the first software facility and the second software facility, the determination is

being made in response to a request from the first one of the plurality of business clients (column

11, lines 28 thru column 12, line 4; server automatically scans inventory and places orders based

on customer demand);

said first software facility making decisions on behalf of the first one of the plurality of

business clients to execute transaction with the second software facility (column 11, lines 28 thru

column 12, line 4; server decides to place orders when inventory is depleted and can predict

frequently used items to order appropriate quantities);

the first and second software facilities automatically completing the transaction without

any action required by either the first one or the second one of the plurality of business clients,

and parameters defining the bounds in which the transaction take place being determined by the

first one of the plurality of business clients (column 11, lines 28 thru column 12, line 4; server

calculated the shipping, posts invoices to accounts payable systems and performs necessary

administrative functions).

Claims 2, 12 and 22, wherein the host data processing system is a plurality of networked

data processing systems (column 4, lines 20-36 and Figure 1; Examiner notes that the Server has

network connections to other processing systems including at least the customer inventory

system, manufacturer, supplier or distributor).

Claims 3, 13 and 23, wherein the first software facility first level services and the second

software facility first level services include at least one of providing storage, providing network

connectivity, web hosting and providing processing capability (column 4, lines 58 thru column 5,

line 25).

Claims 4, 14 and 24, wherein the first software facility second level services and the

second software facility second level services include at least one of providing inventory

management services, providing accounting services, providing pricing services and providing

billing and collection services (column 5, line 26-37 and column 11, lines 39 thru column 12,

line 4).

Claims 6, 16 and 26, further comprising: identifying, by said first software facility, a

purchasing need of the first one of the plurality of business clients (column 11, lines 28-38);

identifying by said first software facility, the second one of the plurality of business clients as a

vendor for the purchasing need of the first one of the plurality of business clients (column 11,

lines 39-46); facilitating, by said first and second software facility payment (column 11, lines 47-

52); and adjusting, by said first and second software facility, inventory records for the first one

and second one of the plurality of business clients (column 5, lines 26-37).

Claims 8, 18 and 28, wherein negotiations resulting in a service level agreement between

said host and the first one of the plurality of business clients for the providing of the first

software facility first and second level services are automated (column 11, lines 53 thru column

12, line 20).

Claims 9, 19 and 29, wherein the quantity of the first software facility first and second

level services provided is adjusted by said host based upon the fulfillment of criteria specified by

the first one of the plurality of business clients.(column 5, lines 9-37 and column 11, line 53 thru

column 12, line 20).

Claim Rejections - 35 USC § 103

8.   The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all

obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in
> section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are
> such that the subject matter as a whole would have been obvious at the time the invention was made to a person
> having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the
> manner in which the invention was made.

9.   Claims 7, 17 and 27 rejected under 35 U.S.C. 103(a) as being unpatentable over Lucas by

U.S. Patent 6,996,538 in view of Official Notice.

Regarding claims 7, 17 and 27, Lucas teaches that the server can post supplier invoices to

an accounts payable system, generate customer invoices based on supplier invoices, and post

customer invoices to an accounts receivable system (column 11, lines 47-52). Lucas further

teaches that the server can integrate with an automated payment system to limit expenses. Lucas

fails to specifically teach transferring appropriate sums from an account belonging to the first

one of the plurality of business clients to an account belonging to the second one of the plurality

of business clients. Official Notice is taken that the transferring of the funds between accounts is

old and well known in the financial arts. Therefore it would have been obvious to one of

ordinary skill in the art at the time of the Applicant's invention to modify the teachings of Lucas

to include transferring funds because it completes the transaction and Lucas already teaches

posting invoices to the accounts and the ability to integrate an automated payment system which

are required for transferring funds.

10.   Claims 10, 20 and 30 are rejected under 35 U.S.C. 103(a) as being unpatentable over

Lucas by U.S. Patent 6,996,538 in view of Conner et al. (hereinafter Conner) U.S. Patent

6,816,882.

Regarding claims 10, 20 and 30, Lucas teaches a server containing first and second level

services (column 4, line 58-65 and column 5, lines 15-42). Lucas fails to teach subcontracting

the first software facility first level services and the second software facility first level services

from a secondary hosting service. Conner teaches a system, method and instructions for

negotiating license agreements and installing arbitrary user-specified applications on application

service providers (column 2, line 59 thru column 3, line 2). Initially, a user perceives a need for

an application, however, rather than the user supporting the application, the user contracts with

an application service provider (ASP) for hosting the application (column 2, line 59 thru column

3, line 2). Therefore it would have been obvious to one of ordinary skill in the art at the time of

the Applicant's invention to modify the teachings of Lucas and include the subcontracting

teachings of Conner because it provides for a host specializing or familiar with first and second

level services to manage the first and second level services for another host with less capabilities

or who can't provide it as efficiently or with the same financial benefits.

Response to Arguments

11.   Applicant's arguments with respect to claims 1-4, 6-14, 16-24 and 26-30 have been

considered but are moot in view of the new ground(s) of rejection.

Conclusion

12.   Applicant's amendment necessitated the new ground(s) of rejection presented in this

Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a).

Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE

MONTHS from the mailing date of this action. In the event a first reply is filed within TWO

MONTHS of the mailing date of this final action and the advisory action is not mailed until after

the end of the THREE-MONTH shortened statutory period, then the shortened statutory period

will expire on the date the advisory action is mailed, and any extension fee pursuant to 37

CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event,

however, will the statutory period for reply expire later than SIX MONTHS from the date of this

final action.

Any inquiry concerning this communication or earlier communications from the

examiner should be directed to Stefano Karmis whose telephone number is (571) 272-6744. The

examiner can normally be reached on M-F: 8-5.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's

supervisor, James Kramer can be reached on (571) 272-6783. The fax phone number for the

organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent

Application Information Retrieval (PAIR) system. Status information for published applications

may be obtained from either Private PAIR or Public PAIR. Status information for unpublished

applications is available through Private PAIR only. For more information about the PAIR

system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR

system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would

like assistance from a USPTO Customer Service Representative or access to the automated

information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Respectfully Submitted
Stefano Karmis
11 November 2007